

To: Laraine Derr, Finance Committee Chair
Through: Mike Abbott, Chief Executive Officer
From: Sarah Morrison, Interim Chief Financial Officer
Date: December 23, 2019
Re: Trust Authority Development Account Transfer

REQUESTED MOTION #1:

The Finance Committee recommends the full board of trustees approve setting a target level for Trust Authority Development Account funds at \$2.4 Million.

REQUESTED MOTION #2:

The Finance Committee recommends the full board of trustees authorize the Chief Financial Officer to transfer TADA funds that exceed the target level to the Permanent Fund for investment.

Current Status & Expected Growth:

As of November 30, 2019, the account held \$11.40 Million and is expected to grow by approximately \$2.50 Million during the remainder of FY2020. This growth will largely come from anticipated timber sales associated with the South East Land Exchange and land sales. Additionally, the \$20.0 Million 'Support' sale is under contract and will close by September 30, 2020. Revenue from this will be attributed to the fiscal year in which the sale closes – likely FY2021 as appropriate.

Existing Commitments:

The Trust has just over \$2.3 Million (see table below) in remaining obligations to ongoing projects. No additional new projects using TADA funding are anticipated.

Project	Remaining TADA Obligation (Rounded to nearest hundred)
USFS Land Exchange	\$1,350,600
Icy Cape Development	\$968,300
Total	\$2,318,900

Recommendation for TADA Funds:

Because of the ongoing projects some funding will be needed to pay for expenses. At this time, the recommended target level is \$2.4 Million. This target is set based on the current commitments that need funding and will allow the Trust to complete the previously authorized work.

Funds exceeding the target amount, approximately \$9.0 Million, are recommended to be transferred to the Permanent Fund for investment in the Trust portfolio.